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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 003027

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STATE FOR NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE/ROSENSTOCK/PECCIA; NSC FOR
ABRAMS/SINGH/WATERS

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TAGS: PGOV PREL IS KPAL KWBG

SUBJECT: GOI RESPONDS TO EAST JERUSALEM DEMARCHE

REF: SECSTATE 141005

Classified By: Ambassador Richard H. Jones for reasons 1.4 (b), (d)

¶1. (C) Ambassador delivered the demarche on continued and planned Israeli settlement activities in East Jerusalem to Ministry of Foreign Affairs (MFA) Director General Aharon Abramovitch on Sunday, October 14. The following text was passed to Abramovitch's office:

¶2. (U) (Begin text) Establishment and Expansion of Neighborhoods in East Jerusalem:

The USG is concerned with continued and planned Israeli settlement activities in East Jerusalem, as such actions undermine our efforts to make progress towards a two-state solution and bolster moderate Palestinians.

-- We have received reports of plans by settler organizations to demolish the Shepherd Hotel and develop this site into an Israeli residential complex consisting of six eight-story apartment buildings. The USG is concerned that a new Israeli development in East Jerusalem would irritate Israeli-Palestinian relations and undermine Abu Mazen and other Palestinian moderates, especially at a time when political progress is being made.

-- We have also received reports that following its expropriation by the GOI on March 30, the "Mufti's Grove" land located in the Palestinian village of Sheik Jarrah, was subsequently leased to the Ateret Cohanim settler group. As this confiscation facilitates acquisition of Palestinian land for settler use, the USG views this confiscation to be in contradiction to GOI commitments made under the Roadmap.

-- Overall, we view new and continued settlement activity in East Jerusalem to be inconsistent with GOI commitments to the USG on settlements. The establishment of new Israeli neighborhoods and the expansion of existing ones disrupts Palestinian contiguity and alters the Palestinian demographic balance in East Jerusalem and its adjoining suburbs.

-- Likewise, continued settlement activities undermine confidence in Israel's peaceful intentions on the part of Palestinians and provide fodder to Palestinian extremists opposed to peace. (End text).

GOI Response

¶3. (C) On October 17, Dan Arbell, Director for North American Affairs at the MFA provided the following verbal

response to PolCouns. According to Arbell, the information came from the Israel Lands Authority (ILA):

-- Shepherd Hotel is located on private land and its sale was a private transaction that did not include GOI involvement. According to the ILA, AMCIT Irving Moscowitz legally purchased this land in the 1970s. As of October 2007, the Jerusalem municipality planning commission has not received any plans to construct six apartment buildings, as the demarche cites. If such a request is submitted, the commission will review it.

-- There is currently a petition before the High Court of Justice regarding the ownership of Mufti's Grove. The petitioners in this case are Palestinians who claim to own it and want to build a hotel on this land. The ILA, however, is not aware that the petitioners have any documentation proving ownership. The legal status of the land was in dispute during Jordanian rule. The land was expropriated by Israel in 1968 and declared open public land.

There is a small olive grove located on part of land. The ILA, for some time, has approved Ateret Cohanim's request to cultivate the olive grove located on this property on a renewable, one-year basis. No other body requested permission to cultivate this land. The ILA decided not to renew this permission to cultivate the land when the approval expired on August 31, 2007 (Note: possibly because of the petition to the HCJ. End note). The March 30 decision to expropriate the land was not a new decision -- as the land was originally expropriated in 1968 -- but added an additional new legal basis for clarifying the land's status as state land.

TEL AVIV 00003027 002 OF 002

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JONES